

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO.905
TO BE ANSWERED ON THE 1ST MARCH, 2016

DECLINE IN ONION PRODUCTION

905. SHRI V. PANNEERSELVAM:
SHRIMATI RITI PATHAK:
SHRI PREM SINGH CHANDUMAJRA:
SHRI BHOLA SINGH:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the production of onion has declined in various States of the country during the current season as compared to the last season due to untimely and excessive rains, if so, the details thereof;
- (b) whether the Government has decided to remove the Minimum Export Price of Onion and if so, the details thereof and the reasons therefor;
- (c) whether the Government has assessed the impact of the said move on its prices in the domestic market and if so, the outcome thereof; and
- (d) the steps taken by the Government to promote the production and storage of onion in the country and ensure adequate availability of onion at nominal prices in the domestic market?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI MOHANBHAI KUNDARIYA

(a): No, Madam. Despite drought during the current year and excessive rains in the Southern states, the onion production during the current agriculture year 2015-16 is expected to be higher as compared to the previous year 2014-15. The details of onion production in the country during the last two years and current year are as under:

Year	Production (In Lakh Tonnes)
2013-14	194.02
2014-15	189.27
2015-16 (1st Adv. Est.)	203.33

(b): In view of the fall in onion prices, the Government has removed the Minimum Export Price (MEP) on onion vide notification No. 29/2015-20 dated 24th December, 2015.

(c): The removal of MEP on onion did not affect the price of onion adversely and prices have shown decline trend due to higher availability from fresh arrivals.

(d): Assistance is being provided by the Government under the scheme, namely, Mission for Integrated Development of Horticulture (MIDH) for holistic development of horticulture sector in the country which includes assistance for improvement in production and productivity as well as development of Post harvest Management (PHM) and Marketing infrastructure, for perishable crops including Onion. This is to ensure adequate availability of fruits and vegetables including onions at nominal prices in the domestic market.

The PHM includes providing assistance for cold storages and low cost onion storage structures. The component of Market Infrastructure includes retail outlets, rural primary markets, wholesale markets, terminal market complexes and e-markets.

- Under this MIDH scheme assistance is being provided by the Government for setting up of Low Cost Onion Storage Structures (maximum capacity of 25 MT) for a cost norm of Rs. 1.75 lakh/unit with provision of 50% subsidy.
- For retail outlet, credit linked back ended subsidy @ 35% of capital cost in general areas and @ 50% in hilly and scheduled areas for maximum cost of Rs.15.00 lakh/unit is available.
- For rural primary markets, credit linked back ended subsidy @ 40% in general areas and @ 55% in hilly and tribal areas of the maximum project cost of Rs.25.00 lakh is available.
- For wholesale markets, credit linked back ended subsidy @ 25% in general areas and @ 33.33% in hilly and tribal areas of the maximum project cost of Rs.100.00 lakh is available.
- For terminal market complex, under PPP mode, assistance @ 25% to 40% (limited to Rs. 50.00 crore) of project cost of Rs.150.00 crore, which includes 25% as floor subsidy plus 15% as subsidy on bidding is available.
